

**REMARKS/ARGUMENTS**

Reconsideration of this application is requested. Claims 1-15 are in the case.

Claims 1-15 stand rejected under 35 U.S.C. §102(b) as allegedly anticipated by U.S. Patent 4,940,966 to Pettigrew et al. That rejection is respectfully traversed.

The invention as claimed is directed a magnetic tag for storing data. The tag comprises at least one magnetic element configured such that the data is stored by reference to a combination of two or more characteristics associated with the or each element.

Pettigrew describes tags or markers carrying a plurality of magnetic elements, the plurality of elements in each of the individually distinguishable tags having a characteristic magnetic signature when subjected to an AC magnetic field by virtue of at least one of a plurality of (a) their characteristic magnetic properties; (b) their location (c) their shape; and (d) their orientation with respect to one another on the tag or marker.

The Pettigrew description is therefore of a tag, or the plurality of elements that make up the tag, having at least one of the four characteristics. Pettigrew does not disclose that each element is configured such that the data is stored by reference to a combination of two or more characteristics associated with the element, as required by the claimed tag. Thus, Pettigrew arguably covers instances where each of the plurality of the elements which make up the tag have variations in a common characteristic, or each element that makes up the tag can have a different single characteristic, but there is no disclosure that each element must have a combination of two or more characteristics associated with it from which the data can be derived.

In light of the above, it is clear that Pettigrew does not anticipate the presently claimed invention. Withdrawal of the anticipation rejection is accordingly respectfully requested.

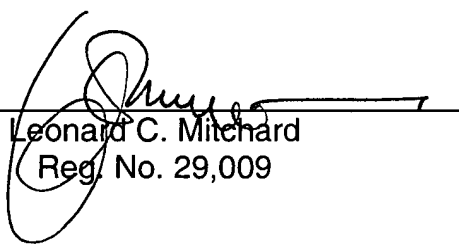
The present invention is also not suggested by Pettigrew. An objective of the present invention is to obtain as many bits of data as possible per magnetic element. This is discussed in the present application, for example in the Abstract, in the last line of page 3, and the last line of page 4 where an embodiment is described in which there are 21 elements and the total number of bits that can be stored is  $2 \times 21 = 42$  bits (see the second complete paragraph on page 6 of the application). The useful data is actually one less, for the reasons explained on page 6. The abstract also notes the feature of storing multiple bits of data per element. This is not suggested by Pettigrew.

Favorable action on this application is awaited.

Respectfully submitted,

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